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UNCLAS SECTION 01 OF 02 ANKARA 000805

SIPDIS

JUSTICE FOR OIA, AFMLS, AND NDDS  
TREASURY FOR FINCEN  
DEA FOR OILS AND OFFICE OF DIVERSION CONTROL  
EUR/SE; INL

E.O. 12958: N/A  
TAGS: [SNAR](#) [KTFN](#) [PTER](#) [TU](#)  
SUBJECT: 2004-2005 INTERNATIONAL NARCOTICS CONTROL STRATEGY  
REPORT (INCSR) FOR TURKEY: ADDITIONAL INFORMATION

REF: A. ANKARA 423

[1B](#). CUMMINGS - LOSBANOS E-MAIL 2005 11 FEBRUARY  
[1C](#). 2004 STATE 254401  
[1D](#). THOMPSON - LOSBANOS E-MAIL 2005 25 JANUARY

[11](#). As reported in ref a, Post has ascertained additional information for the 2004-2005 International Narcotics Control Strategy Report (INCSR) section on money laundering and financial crime. This information follows the corrections that were e-mailed (ref b) to the Department in draft form.

[12](#). Post obtained answers to the following questions in ref c from Turkey's Financial Crime Investigation Board (MASAK):

--Question 32: Has the country enacted secrecy laws that prevent disclosure of client ownership information by domestic and offshore financial services companies to bank supervisors and law enforcement authorities? Answer: According to anti-money laundering law Article 5, public institutions and establishments, natural persons, and corporate bodies are obligated to submit information and documents as well as adequate supporting information upon the request of Turkey's Financial Crimes Investigation Board, MASAK, and the other authorities specified in Article 3 of the law. Natural persons and corporate bodies from whom information and documents are requested by MASAK and other relevant authorities may not refrain from submitting information and documents by claiming the protection provided by privacy provisions in special laws, provided that the provisions related to the right of defense are reserved.

--Question 34: Please describe cross-border currency reporting requirements, including those that apply to cash couriers. Answer: Generally speaking, Turkey does not have foreign exchange restrictions. However, Turkey does have cross-border currency reporting requirements. Banks and special finance institutions must inform authorities, determined by the Ministry of Finance, within 30 days from the date of transfer, about transfers abroad exceeding USD 50,000 or its equivalent in foreign currency notes (including transfers from foreign exchange deposits)-excluding payments for imports and invisible transactions as well as capital exports. Travelers may take up to USD 5,000 or its equivalent in foreign currency notes out of the country. Non-residents, residents, and those Turkish citizens working abroad who are still considered residents of Turkey and declare it upon arrival who present a document indicating that they purchased foreign exchange from banks and special finance institutions within the framework of the regulations on invisible transactions, may freely take abroad foreign currency notes whose value exceeds USD 5,000.

--Question 63: Can legitimate businesses be seized if used to launder drug money, support terrorist activity, or are otherwise related to other criminal proceeds? Answer: According to anti-money laundering law Article 7, whoever commits a money laundering offense shall be sentenced to imprisonment from two to five years and shall incur a heavy fine of double the amount of the money laundered and all the property and assets in the scope of the dirty money, including returns derived from them. In cases where property and assets could not be seized, the corresponding value of the property and assets shall be subject to confiscation. With regards to those supporting terrorist activity, the Council of Ministers, by taking into consideration the lists of terrorist organizations, persons and entities issued by the Sanctions Committee in accordance with the relevant UN Security Council Resolutions, promulgated a decree (2001/2483) on December 22, 2001 to freeze all the funds, financial assets, economic resources, rights and claims, and the contents of safe deposit boxes of these terrorist organizations, persons and entities. The Council of Ministers also mandated permission from the Ministry of Finance for all transactions related to these assets. Furthermore, according to Article 7, paragraph 4 of the Law on the Fight Against Terrorism, the activities of associations, foundations, and unions which are found to have lent support to terror movements will be prohibited and they

will be dissolved by the decision of the concerned court. The assets of such institutions will be confiscated.

--Question 68: What government entities are responsible for tracing, seizing assets and freezing assets? Is there a duration of time ascribed to the action of freezing, after which the assets are released? Are frozen assets confiscated? If yes, by what government entity? Answer: According to Article 9 of the anti-money laundering law, if there is serious circumstantial evidence about money laundering, the authority to give an order of freezing of claims and rights in banks and non-bank financial institutions as well as in real and other legal persons, including the values existing in deposit boxes; annulling the right of disposition completely or partially; the seizure of property, negotiable instruments, cash and other valuables; holding the assets in custody and taking other precautionary measures on claims and rights, belongs to the Court of Peace\*a minor arbitration court for petty offenses\*during the preliminary investigation and to the Court during the trial. Requests for precautionary measures are concluded immediately as a result of the evaluation of documents and at the latest within 24 hours. Public Prosecutors may also decide to freeze claims and rights in cases where it is necessary to avoid delay. The Public Prosecutors' Office notifies the Court of Peace about the decision within 24 hours at the latest. The Court of Peace decides, at most within 24 hours, whether to approve the decision or not; in cases of non-approval, the decision of the Public Prosecutor becomes void.

There is no duration of time ascribed to the action of freezing, after which the assets are released. If there is a conviction after the judicial process, the relevant assets are confiscated. MASAK, the Turkish National Police, and the Courts are the government entities responsible for tracing, seizing assets and freezing assets. In the past year, all funds, financial assets, economic resources, rights and claims of 241 individuals and institutions have been listed under the Council of Minister's Decrees to be frozen on the grounds of being connected to terrorist organizations or terrorist activities. One individual and two institutions were found to have assets in Turkey. All of the individual,s and the two institutions, funds, financial assets, economic resources, rights and claims have been frozen by relevant GOT authorities.

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